

Coming soon!

New Employee Performance Management Process

The State Personnel Department is excited to announce that effective January 1, 2006, the State of Indiana will implement a new performance management process. The new process ties performance expectations to agency mission, vision, and goals, and fosters communication among all levels of responsibility from top agency executives, to supervisors and front-line employees. We believe this will be a positive change that will enable each employee at every level of the organization to see a clear path showing how his or her work directly contributes to the success of the agency. The foundation of this new process is “performance management.”

What is Performance Management?

Performance management is an interactive process where upper management communicates the agency’s strategic vision and goals to every supervisor and employee who then develop group and individual goals and standards to successfully achieve the agency’s vision and goals.

In an effective performance management process, the organization’s strategic plan is “cascaded” down so that ultimately there is a clear path that connects individual employees to that plan. Employees know how their work contributes to the success of the organization. They also know what is expected of them, how they are doing, what is working well, and what needs improvement. When performance management is done well in organizations, employees are more satisfied, turnover decreases, and productivity increases.

Why should we change our current performance appraisal system?

The current performance appraisal focuses exclusively on specific duties for individual positions rather than identifying outcomes that the individual can achieve that will develop new skills and abilities while helping the agency reach organization-wide goals.

The current system does not provide a mechanism for recognizing or rewarding truly superior performance. In fact, the current rating system actually reinforces mediocre performance. In an effort to energize the performance appraisal process and to help build and sustain a performance-based culture in state government, the State Personnel Director created a committee to explore revisions to the existing performance appraisal tools. This committee consisted of representatives from State Personnel’s divisions of organizational design and employee relations as well as human resource managers from multiple state agencies. The committee explored best practices in performance management from other organizations and state governments and consulted with various agency managers to determine how those managers wanted to be able to manage employee performance. This process has resulted in the development of new tools designed to give agency managers the flexibility they need to build strong performance management systems within their organizations.

How does Performance Management work?

To be done well, performance management is a shared responsibility of employees and supervisors. Performance management is done best *with* employees, not *to* them. Employees are responsible for participating in all phases of the performance management process to the best of their abilities and for performing their work in a way that meets performance expectations. Employees are also responsible for asking questions whenever necessary to understand what is expected of them and for communicating successes and problems to their supervisors to help their supervisor measure their progress or provide assistance when needed.

Effective performance management is crucial to the accomplishment of agency goals and objectives. It is also a fundamental management responsibility. Employees need and want to know what is expected of them, how they are doing, what's working well, and what needs improvement

Agency management must commit to sending a clear and unequivocal message to all employees that performance matters. There must be a commitment to holding each employee at every level of the organization accountable for their participation in this process. Management is also obligated to provide sufficient resources for the training and supporting of all supervisors and managers in the essential components of employee-level performance management. Successful implementation of performance management will start agencies on the path to creating and sustaining a performance-based, high-achieving culture.

These key components include:

1. The setting of clear performance expectations for each employee linked to the desired outcomes as set forth in the agency's strategic plan. Performance expectations must be specific, measurable, and/or observable and must include the following:
 - Performance Expectations. "What" the employee is expected to do. These are expressed as results or outcomes the employee is expected to achieve in order to be fully successful; and
 - General Factors. "How" the employee is expected to behave. This consists of competencies that the employee is expected to demonstrate in order to be fully successful.
2. Individual training needed to support employee achievement of desired objectives.
3. Regular, ongoing coaching, feedback and communication with employees.
4. Regular performance appraisal – the assessment of an employee's actual performance relative to the performance expectations.
5. Timely, meaningful recognition of desired performance.
6. Timely corrective action and/or disciplinary action, when necessary.

How do employees benefit from this change?

The first benefit is that each employee will be able to identify his or her role in making the agency successful and will have specific expectations and measurements for determining success. Another benefit will be professional development. Each supervisor and manager will be held accountable for a general factor "Staff Development." This will involve individual plans to provide the tools each employee needs to be successful.

Employees who meet or exceed expectations will be recognized for those achievements under a new pay for performance program. State employees should strive for excellence. Recognizing excellence will go a long way toward encouraging individuals to reach higher and achieve their potential.

For more information

Watch the Interchange each month for updates and procedures. Also you can go to State Personnel Department's web page at www.IN.gov/jobs and click Performance Management for more information, including Frequently Asked Questions. Training sessions are being scheduled this fall for supervisors and managers to learn their part of the new process. Employee training sessions will be scheduled beginning in December 2005.